

AMENDED IN ASSEMBLY JUNE 28, 2006

AMENDED IN SENATE MAY 26, 2006

AMENDED IN SENATE MAY 3, 2006

AMENDED IN SENATE APRIL 17, 2006

SENATE BILL

No. 1181

Introduced by Senator Maldonado

(Coauthors: Senators Alquist, Denham, Morrow, and Romero)

(Coauthors: Assembly Members Cogdill, Garcia, Shirley Horton, and Maze)

January 17, 2006

An act to add Section 66026 to the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 1181, as amended, Maldonado. Public postsecondary education: administrative salaries and compensation.

Existing law, the Donahoe Higher Education Act, sets forth the missions and functions of the 3 segments comprising the state's public postsecondary education system. These segments are the University of California, administered by the Regents of the University of California, the California State University, administered by the Trustees of the California State University, and the California Community Colleges, administered by the Board of Governors of the California Community Colleges. Among other things, the act establishes the California Postsecondary Education Commission as the statewide postsecondary education planning and coordinating agency and advisor to the Legislature and the Governor.

This bill would require the University of California~~—and, the California State University, and the California Community Colleges,~~ on or before March 1 of each year, to prepare and submit to the Chairperson of the Joint Legislative Budget Committee, the Chairpersons of the appropriate legislative budget subcommittees, and the Director of Finance a report on the total compensation of specified executive-level and senior-level administrative positions at both the systemwide and campus levels *with respect to the University of California and the California State University, and, with respect to the California Community Colleges, at the systemwide level only*, the policies for setting and adjusting compensation and approving transfer agreements, separation agreements, and settlement agreements for all employees, and mechanisms in place to ensure compliance with compensation policies and any sanctions administered for breach of compliance. The bill would require the commission, before July 1, 2007, to report to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the appropriate legislative budget subcommittees, and the Director of Finance on the adequacy of a template developed by a specified task force for reporting information required under the bill. The bill would authorize the commission to appoint and convene an advisory committee, as prescribed, to assist the commission in evaluating the template.

The bill would require the Legislative Analyst's Office to report in its analysis of the 2007–08 Budget Bill ~~for the 2007–2008 fiscal year,~~ and thereafter as it determines to be necessary, on the efficacy of the information provided in the annual report.

The bill would apply to the University of California only to the extent the Regents of the University of California act, by resolution, to make it so applicable.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature that the
2 California Postsecondary Education Commission continue to
3 provide an annual report on executive compensation using the
4 compensation information the University of California~~—and the~~
5 ~~California State University,~~ *the California State University, and*
6 *the California Community Colleges* post on their Internet Web

1 sites and data from comparison institutions jointly identified with
2 the advisory committee established pursuant to Section 66026 of
3 the Education Code.

4 SEC. 2. Section 66026 is added to the Education Code, to
5 read:

6 66026. (a) As used in this section, the following terms have
7 the following meanings:

8 (1) “Benefits” include, but are not necessarily limited to,
9 regular and supplemental health, dental, vision, and life
10 insurance; retirement; vacation; and deferred compensation.

11 (2) “Cash remuneration” includes, but is not necessarily
12 limited to, bonuses and other cash compensation received in
13 addition to the base salary.

14 (3) “Perquisites” include, but are not necessarily limited to,
15 automobile allowances, use of cell phones, payment of club dues,
16 provision of educational aid to an employee’s children,
17 employment contracts, entertainment allowances, estate planning
18 assistance, house maintenance services, housing allowances or
19 the use of houses, obtaining a low-interest mortgage loan,
20 provision of a physical examination or other medical care,
21 provision of sabbatical leave, tax planning or preparation
22 services, and provision of tenured professorships.

23 (4) “Total compensation” includes, but is not necessarily
24 limited to, salary, cash remunerations, benefits, and perquisites,
25 and their respective values.

26 (b) On or before March 1 of each year, using the template
27 recommended in the April 2006 report of the Task Force on UC
28 Compensation, Accountability, and Transparency, the University
29 of California ~~and the California State University, the California~~
30 ~~State University, and the California Community Colleges~~ shall
31 each prepare and submit to the Chairperson of the Joint
32 Legislative Budget Committee, the Chairpersons of the
33 appropriate legislative budget subcommittees, and the Director of
34 Finance a report on all of the following:

35 (1) ~~The~~ *With respect to the University of California and the*
36 *California State University, the total compensation of*
37 *executive-level and senior-level administrative positions at both*
38 *the systemwide and campus levels. With respect to the California*
39 *Community Colleges, the total compensation of the*
40 *administrative positions described in subparagraph (C). The*

1 report shall include, but is not necessarily limited to, the total
2 compensation for all of the following positions:

3 (A) At the University of California, the positions of president,
4 provost, senior vice president, vice president, associate vice
5 president, assistant vice president, university auditor, university
6 controller, principal officer of the regents, chancellor, vice
7 chancellor, national laboratory director, national laboratory
8 deputy director, medical center chief executive officer,
9 professional school dean, and the five most highly compensated
10 positions at the Office of the President and at each campus,
11 medical center, and Department of Energy laboratory of the
12 university.

13 (B) At the system level of the California State University, the
14 positions of chancellor, executive vice chancellor, vice
15 chancellor, associate vice chancellor, assistant vice chancellor,
16 and general counsel. At the campus level of the California State
17 University, the positions of president, vice president, associate
18 vice president, assistant vice president, provost, vice provost, and
19 dean.

20 (C) *At the systemwide level of the California Community*
21 *Colleges, all positions in the Chancellor's Office of the*
22 *California Community Colleges that are exempt from civil*
23 *service.*

24 (2) The policies for setting and adjusting compensation and
25 approving transfer agreements, separation agreements, and
26 settlement agreements for all employees, including, but not
27 limited to, general information on the total value of settlements
28 reached between the institution and an employee.

29 (3) Mechanisms in place to ensure compliance with
30 compensation policies and any sanctions administered for breach
31 of compliance.

32 (c) The University of California and the California State
33 University shall each post the report required by subdivision (b)
34 on its respective Internet Web site at both the systemwide and
35 campus levels. *The California Community Colleges shall post the*
36 *report required by subdivision (b) on its Internet website at the*
37 *systemwide level only.*

38 (d) Before July 1, 2007, the California Postsecondary
39 Education Commission shall report to the Chairperson of the
40 Joint Legislative Budget Committee, the Chairpersons of the

1 appropriate legislative budget subcommittees, and the Director of
2 Finance on the adequacy of the template described in subdivision
3 (b) as a means of reporting the required data. The commission
4 also shall make recommendations for improvements. The
5 commission may convene an advisory committee to assist the
6 commission in evaluating the template. The advisory committee
7 may include, but is not necessarily limited to, a representative of
8 each of the following:

- 9 (1) The University of California.
- 10 (2) The California State University.
- 11 (3) *The California Community Colleges.*
- 12 ~~(3)~~
- 13 (4) The Department of Finance.
- 14 ~~(4)~~
- 15 (5) The Legislative Analyst's Office.
- 16 ~~(5)~~
- 17 (6) The Association of Independent California Colleges and
18 Universities.

19 (e) The Legislative Analyst's Office shall report in its analysis
20 of the ~~2008 Budget~~ *2007-08 Budget Bill*, and thereafter as it
21 determines to be necessary, on the efficacy of the information
22 provided in the annual report.

23 (f) No provision of this section shall apply to the University of
24 California except to the extent that the Regents of the University
25 of California, by appropriate resolution, make that provision
26 applicable.